From: Morning Consult
To: lmartin@bakersfieldpd.us
Subject: Morning Consult Tech: Justice Department Launches Competition Review of Tech Industry
Date: Wednesday, July 24, 2019 5:24:00 AM

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By Sam Sabin

Top Stories

- The Justice Department announced it is launching an antitrust review into the technology industry to examine how big tech companies have gained and used their market power, with two sources saying the department has already started meeting with tech industry experts recently to hear about the kinds of harm these companies have caused. The department did not name specific companies that are under review, but did say that it would be exploring concerns surrounding search, social media and some retail services. (The New York Times)

- In Facebook's expected settlement with the Federal Trade Commission, Chief Executive Mark Zuckerberg will have to personally certify to the agency on a quarterly basis that the company is taking steps to protect consumer privacy, according to a person familiar with the matter, with false information liable for potential penalties. Facebook is also expected to create a new board committee to boost focus on privacy issues at the senior level. (The Wall Street Journal)

- Dish Network Corp. agreed to purchase wireless assets, including spectrum and a prepaid mobile business, from T-Mobile US Inc. and Sprint Corp., in a $5 billion deal that will pave the way for the Justice Department to approve the proposed $26.5 billion merger of the two mobile phone carriers, according to people familiar with the matter. Through the deal, which should enable the Justice Department to approve the merger as soon as tomorrow, Dish has agreed to not sell the assets or hand over control of them to another party for three years, the people said. (Bloomberg)

Chart Review

3 in 5 GOP Voters Believe There's Social Media Bias Against Conservatives
Morning Consult

Events Calendar (All Times Local)

07/24/2019

Politico event on Unlocking the AI Data Puzzle in the Federal Government	8:00 am
House Oversight Committee's hearing on Russian interference in the 2016 elections with Special Counsel Robert S. Mueller, III	8:30 am
Brookings Institution's "The future of ICT in the digital	10:00 am

economy" event	
House Appropriations Committee's oversight and budget hearing for the White House Office of Science and Technology Policy	10:15 am
Senate Commerce Committee's markup, including several broadband and 5G bills	10:30 am
Senate Commerce Committee's nominations hearing, including consideration of Michael Kratsios for the role of U.S. Chief Technology Officer	10:30 am
House Intelligence Committee's hearing with former Special Counsel Robert S. Mueller III	12:00 pm
FTC's Fighting Consumer Fraud and Identity Theft workshop in Iowa	1:00 pm
ITIF's discussion on benefits of facial recognition technology use for law enforcement	2:00 pm
New America's "Overcoming Obstacles to Connection" event on AI, personalized learning and other automations	4:30 pm

07/25/2019

Internet Governance Forum USA 2019	
Brookings Institution's "Autonomous cars: Science, technology, and policy" event	8:45 am
The Capitol Forum's DOD Procurement Conference	9:00 am
FiscalNote's Data Privacy and Antitrust Luncheon	11:30 am

View full calendar

Understanding Gen Z: The Definitive Guide to the Next Generation

Based on nearly 1,000 survey interviews with 18-21 year-olds, Morning Consult's 'Understanding Gen Z' report digs into the values, habits, aspirations, politics, and concerns that are shaping Gen Z adults and the ways they differ from the generations that came before them.

Download the full report →

General

Apple Seeks Mac Pro Parts Tariff Exclusion After Move to China
Mark Gurman and Mark Niquette, Bloomberg

Apple Inc. has asked the Trump administration to exclude components that make up the forthcoming Mac Pro high-end desktop computer from import tariffs, weeks after planning to re-locate production of the line to China from Texas.

Facebook, Amazon set lobbying records
Harper Neidig, The Hill

Facebook and Amazon both set quarterly records for federal lobbying over the last three months, leading a pack of tech giants that are increasingly under siege in Washington, according to federal disclosure forms filed Monday. Each company spent a little more than $4 million on lobbying in the second quarter, the first time either firm has spent that much on their influence operations in the capital.

SoftBank Starts to Lobby D.C. on Its Own
Ashley Gold, The Information

SoftBank spent $240,000 lobbying in the second quarter of 2019, according to federal lobbying disclosures. It's the first quarter SoftBank has had its own registered lobbyists in addition to outside firms, and shows the Japanese conglomerate is ramping up its efforts to win friends in Washington.

Google Continues Investments in Military And Police AI Technology Through Venture Capital Arm
Lee Fang, The Intercept

Last year, Google faced internal revolt from many employees over its handling of Project Maven, a secretive contract between the company and the Department of Defense to use artificial intelligence to improve the military's drone targeting capabilities.

U.S. Tech Warns Japan-South Korea Spat Could Cause Global Harm
Sohee Kim, Bloomberg

U.S. technology companies urged Japan and South Korea to negotiate a

resolution to a dispute that threatens to up-end the global supply chain that the world's top electronics brands rely on make their products.

Lyft Makes Self-Driving Research Public in Bid to Speed Development
Keith Naughton, Bloomberg

Lyft Inc. is making research data on self-driving technology available to the public in a bid to accelerate the development of robotic cars, which is seen as critical to the ride-hailing giant's future viability.

Craigslist's nerdy founder wants to change the world - starting with your daily news
Jessica Dolcourt, CNET

Craig Newmark is a self-proclaimed nerd and reformed jerk. Now he's putting money behind his politics.

Stocks Fall on Weak Data, Tech Probe; Bonds Gain: Markets Wrap
Robert Brand, Bloomberg

U.S. equity-index futures fell alongside European stocks as investors weighed the latest corporate and economic news, the resumption of trade talks and the prospect of policy easing by major central banks. Treasuries advanced along with bonds in Europe.

Intellectual Property and Antitrust

Top House Dem accuses tech giants of giving deceptive answers at antitrust hearing
Harper Neidig, The Hill

The House Democrat leading a congressional antitrust investigation into big tech companies has accused Facebook, Amazon and Google of giving deceptive answers to lawmakers at a hearing last week on their market power. Rep. David Cicilline (D-R.I.), who chairs the House Judiciary subcommittee on antitrust, sent letters to the three companies on Tuesday demanding that they offer more complete testimony.

A new copyright proposal would protect designers online - but at

what cost?
Makena Kelly, The Verge

For years, independent artists working online have struggled with designs being stolen, often by much larger companies. Given the expense and intricacy of a federal copyright lawsuit, those artists have had no good options for fighting back, even as infringing products pile up on seller platforms like Amazon.

Telecom, Wireless and TV

Judge allows suit against AT&T after $24 million cryptocurrency theft
Timothy B. Lee, Ars Technica

When Michael Terpin's smartphone suddenly stopped working in June 2017, he knew it wasn't a good sign. He called his cellular provider, AT&T, and learned that a hacker had gained control of his phone number.

AIRWAVES Act Reintroduced
John Eggerton, Broadcasting & Cable

There was plenty of industry buy-in Tuesday to the reintroduction of the Advancing Innovation and Reinvigorating Widespread Access to Viable Electromagnetic Spectrum (AIRWAVES) Act. The bill would encourage the government to free up more spectrum for commercial licensed and unlicensed broadband and use 10% of any proceeds from spectrum auctions toward closing the urban/rural broadband divide.

AT&T beats quarterly phone subscriber estimates
Akanksha Rana and Angela Moon, Reuters

AT&T Inc on Wednesday beat Wall Street estimates for net wireless subscribers who pay a monthly bill as it grounded out some growth in a saturated market and continued to bundle media content from Time Warner into new wireless plans. The second-largest U.S. wireless carrier by subscribers added a net 72,000 phone subscribers, bigger than analysts' estimates of 27,000 subscribers, according to research firm FactSet.

Mobile Technology and Social Media

EU draws up sweeping rules to curb illegal online content
Mehreen Khan and Madhumita Murgia, Financial Times

Brussels is drawing up legislation that will force tech giants to remove illegal content or face the threat of sanctions under a comprehensive "Digital Services Act" due to be unveiled at the end of next year. The incoming European Commission has started work on a new rule book designed to overhaul how the EU treats tech companies and equip Brussels with sweeping legal powers to regulate hate speech, other illegal content and political advertising for the first time, according to officials.

Facebook Secret Research Warned of 'Tipping Point' Threat to Core App
Alex Heath, The Information

Last October, after spending almost a year examining trends among Facebook users, a senior data scientist at the company named Tom Cunningham painted a bleak picture of one possible future for its flagship Facebook app. At the time, Facebook noticed that users of the app-known internally as the "blue app" because of the color of its icon-were increasingly sharing on Instagram and WhatsApp, which are also owned by Facebook.

YouTube Is a Big Business. Just How Big Is Anyone's Guess.
Daisuke Wakabayashi, The New York Times

YouTube probably generates $16 billion to $25 billion in annual revenue, making the video service big enough to crack the top half of the Fortune 500. But that's just a guess.

The Man Who Built The Retweet: "We Handed A Loaded Weapon To 4-Year-Olds"
Alex Kantrowitz, BuzzFeed News

Developer Chris Wetherell built Twitter's retweet button. And he regrets what he did to this day.

Snapchat shows new signs of life, topping 200 million daily users for first time
Clare Duffy, CNN

Snapchat has the makings of a comeback story. Snapchat added 13 million daily users in the three months ending in June, ending a long period of lackluster growth and pushing the company's total audience above 200 million daily users for the first time.

Cybersecurity and Privacy

Fighting Deepfakes Gets Real
Bernhard Warner, Fortune

Like a zombie horde, they keep coming. First, there were the pixelated likenesses of actresses Gal Gadot and Scarlett Johansson brushstroked into dodgy user-generated adult films.

Facebook Expected to Settle SEC Claims of Inadequate Disclosures Over Privacy Practices
Emily Glazer, The Wall Street Journal

The Securities and Exchange Commission is expected to announce a settlement with Facebook Inc. on Wednesday related to claims it inadequately disclosed risks involving its privacy practices, a person familiar with the matter said. The settlement, which is expected to include a fine larger than $100 million, focuses on allegations the social-media company insufficiently warned investors that developers and other third parties may have obtained users' data without their permission or in violation of Facebook policies, the person said.

Democrats paint McConnell as 'lead opponent' to election security in new report
Maggie Miller, The Hill

Senate Democrats labeled Senate Majority Leader Mitch McConnell (R-Ky.) as "the lead opponent" to election security efforts in a report released Tuesday. The attack came as Democrats continue to push McConnell to bring election security legislation to the Senate floor.

Swiss data watchdog awaits details on Facebook crypto plan
John Miller, Reuters

Facebook Inc's Libra cryptocurrency project has not responded to an

information request by Switzerland's data privacy watchdog, the authority said on Tuesday, noting it wants more details to help define its oversight role over the U.S. social media company's proposed digital currency.

Your Data Were 'Anonymized'? These Scientists Can Still Identify You
Gina Kolata, The New York Times

Your medical records might be used for scientific research. But don't worry, you're told - personally identifying data were removed.

Opinions, Editorials and Perspectives

We Need to Support - Not Destroy - America's Top Tech Companies to Protect Democracy
Gary Shapiro, Morning Consult

Now that presidential candidates are joining the chorus of those calling for the breakup of major tech companies, Congress is also considering the issue. Currently, both the House and Senate Judiciary committees are holding antitrust hearings.

Big Tech's Canned Responses Won't Cut It Anymore
Shira Ovide, Bloomberg

The U.S. technology superpowers need better talking points - and fast. The U.S. Department of Justice said Tuesday that it would start reviewing how "market-leading online platforms" became big and whether they are squashing competition, limiting innovation or hurting consumers in other ways that may violate U.S. antitrust laws.

How DoorDash, Postmates, and Other Delivery Services Tip Workers
April Glaser, Slate

The on-demand app economy makes eating easier. No need to leave your house to go to a crowded grocery store, or cook.

Research Reports

Cost of a Data Breach Report 2019

IBM Security

IBM Security and Ponemon Institute are pleased to release the 2019 Cost of a Data Breach Report. Based on in-depth interviews with more than 500 companies around the world who have experienced a data breach between July 2018 and April 2019, the analysis in this research study takes into account hundreds of cost factors, from legal, regulatory and technical activities, to loss of brand equity, customer turnover, and the drain on employee productivity.

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